



MANPOWER,
RESERVE AFFAIRS
AND LOGISTICS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

8 AUG 1979

Defense Energy Program Policy Memorandum (DEPPM) No. 79-9

MEMORANDUM FOR Designated Energy Officials of the Office of
the Secretary of Defense, Joint Chiefs of Staff,
Military Departments, and Defense Logistics
Agency

SUBJECT: Use of Department of Defense (DoD) Fuel Stocks to
Support Non-DoD Consumers

PURPOSE: This establishes guidelines to respond to requests for extraordinary fuel assistance from non-DoD consumers, such as other federal government agencies and DoD contractors. The guidelines in this DEPPM do not apply to non-DoD consumers who routinely receive DoD fuel supply support, or those who are authorized such support under international agreements.

BACKGROUND: The DoD has received numerous requests to provide extraordinary fuel assistance to non-DoD consumers, such as federal agencies and DoD contractors, during the present period of fuel shortages. These requests have raised a number of questions that indicate the need for additional policy guidance.

DISCUSSION: The DoD, like other energy consumers, has been unable to purchase all of the fuel it requires. It has reduced wholesale fuel inventories and continues to have procurement shortfalls against projected requirements. Ad hoc support to non-DoD consumers tightens further the austere DoD fuel supply situation. The DoD has already issued policies that govern the provision of supply assistance to non-DoD consumers. The basic DoD policies that apply are contained in:

- DoD Directive 3025.1, "Employment of Military Resources in Natural Disaster Emergencies within the United States, its Territories and Possessions." This directive provides guidelines for DoD assistance when the President declares the existence of a natural disaster. The directive also permits local commanders to render immediate assistance when an imminent emergency requires a rapid response to protect life, property, or safety.

- DoD Instruction 4170.9, "Defense Contractor Energy Shortages and Conservation," sets forth procedures to assist DoD contractors in fuel supply disruptions. The instruction addresses primarily contractors who operate fixed industrial facilities and experience curtailment of utility or process fuels such as natural gas and electricity. The thrust of the procedures is to resolve the problem at the local level and to document efforts made to resolve the problem if it is elevated to higher levels within the DoD. The procedures in this DEPPM, which apply to transportation fuels, employ a similar strategy.

The use of DoD fuel stocks for non-DoD purposes may have financial and contractual implications. Defense stock fund fuel prices are stabilized at levels based on estimated costs. Sale of fuel to non-DoD consumers at stock fund prices may cost the DoD resources, because replacement of the fuel will be at market prices. Some DoD contracts may have to be amended before fuel can be provided to the contractor.

There may be occasions when the issue of fuel to non-DoD consumers will be necessary to the continuity of essential government operations, however.

POLICY: The DoD will not provide fuel to non-DoD consumers that it does not support routinely or by provision of the above directive and instruction, unless:

- Commercial sources of fuel have been explored, and no fuel is available, regardless of cost,
- Local, state, and federal energy allocation authorities have been unable to make fuel available, even though the allocation authorities found the request justified,
- The activity that would be disrupted without fuel assistance from DoD is essential to military readiness, or to the protection of life, property, or safety,
- The activity to be disrupted cannot be deferred while alternate fuel sources are found without impacting military readiness or jeopardizing life, property, or safety, and

- The essential nature of the activity, the impact of the fuel shortfall, and all attempts to obtain alternate fuel sources are documented.

When DoD does provide fuel,

- The amount of fuel provided is limited to the minimum essential amount required to preserve military readiness, or to protect life, property, or safety.
- Any fuel provided will be reimbursed at a rate comparable to local fuel prices.

Exceptions to this DEPPM require advance approval from the Deputy Assistant Secretary of Defense (Energy, Environment and Safety).

The military departments and defense agencies are to develop procedures to process and document fuel assistance requests. Approvals will not be delegated below the military department staff or agency headquarters levels.



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